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E.O. 12958: N/A

TAGS: <u>EAIR</u> <u>ECON</u> <u>ETRD</u> <u>AJ</u>

SUBJECT: AZERBAIJANI STATE AIRLINE AZAL RENEWS REQUESTS FOR OPEN SKIES AGREEMENT NEGOTIATIONS WITH U.S.

REF: (A) 05 BAKU 851 (B) 05 BAKU 445 (C) 05 STATE

35766 (D) 05 STATE 49447

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- 11. (U) THIS IS AN ACTION REQUEST. SEE PARAGRAPH 3.
- 12. (SBU) Based on a recent visit by Embassy EconOff, the Azerbaijani Civil Aviation Authority (AZAL) has renewed its interest in holding Open Skies negotiations with the U.S. Previous attempts to arrange Open Skies negotiations with AZAL are detailed in reftels. Text of letter, originally drafted in English, begins below.

BEGIN TEXT

State Concern of Civil Aviation of the Republic of Azerbaijan "Azerbaijan Airlines" (AZAL)

April 25, 2006

H.E. Mr. Reno L. Harnish III Ambassador Extraordinary and Plenipotentiary of the United States of America in the Republic of Azerbaijan

Subject: Further development of relations between USA and Azerbaijan in civil aviation field

Dear Mr. Harnish,

Please be hereby informed that the meeting with Mr. Aaron P. Scheibe, Economic Officer of the US Embassy, was held on April 10, 2006 in the premises of the State Concern of Civil Aviation of the Republic of Azerbaijan. Among other issues discussed during the meeting, a possibility of coordinating the "Open Skies" Agreement by the two countries experts was also raised.

Having accepted Mr. Scheibe's information with respect to signing of "Open Skies" Agreement, we would like to focus America party's attention on the following position of civil aviation authorities of the Republic of Azerbaijan:

- 11. We are ready to reconsider our previous position on coordinating the text of "Open Air" Agreement subject to signature and entry into force of the bilateral air transport agreement;
- 12. We are ready to consider the "Open Skies" Agreement exceptionally on a bilateral basis, without involvement of

third countries;

13. A number of provisions in the submitted "Open Skies" Agreement need to be changed considering the legislation of Azerbaijan and ICAO requirements.

In our turn, we would like to get explanations on the following issues:

- 11. Does "Open Skies" Agreement provided by the American party substitute bilateral Agreement on Air Transport, which is traditionally entered into between two countries to initiate air services?
- 12. Is it possible to conclude "Open Skies" Agreement separately for passenger and cargo transportation?

Taking into account the statement of Mr. Scheibe on willingness of American party to render possible assistance in air transport field, I would like to suggest the following: in order to clarify issues related to "Open Skies" Agreement to representatives of the State Concern of Civil Aviation and to a number of Ministries and Departments of the Republic of Azerbaijan, we are ready to receive here in Baku a specialist from US Federal Aviation Administration to organize an oversight seminar in our premises. Holding of such a meeting, in my opinion, would facilitate negotiations on creation of legal basis in civil aviation field.

In conclusion, Your Excellency, please accept the assurances of my highest consideration. With best regards, Jahangir Askerov Director General

END TEXT

13. (SBU) ACTION REQUEST: Based on the contents of the letter,

Post kindly requests guidance from the Department on AZAL's stated position, the possibilities of now arranging discussions regarding an Open Skies agreement with Azerbaijan, and its request for a FAA specialist visit. In addition, Post requests answers to the questions posed in the letter.
HYLAND